

1 UNITED STATES DISTRICT COURT
2 SOUTHERN DISTRICT OF MISSISSIPPI
3 NORTHERN DIVISION

4 UNITED STATES OF AMERICA

5 vs. Criminal Action No. 3:16CR50-DPJ-FKB

6
7 CARL REDDIX

8
9 COURT REPORTER'S TRANSCRIPT OF CHANGE OF PLEA

10 BEFORE HONORABLE DANIEL P. JORDAN, III
11 UNITED STATES DISTRICT COURT JUDGE

12 May 3, 2017
13 Jackson, Mississippi

14 APPEARANCES:

15 MR. DARREN J. LAMARCA
16 MR. PATRICK LEMON
17 Assistant United States Attorneys

18 Representing the Government,
19 United States of America

20 MS. LISA ROSS
21 Attorney at Law

22 Representing the Defendant,
23 Carl Reddix

24 COURT REPORTER:
25 Brenda D. Wolverton, RPR, CRR, FCRR
Jackson, Mississippi

1 THE COURT: Good afternoon. Mr. LaMarca, are you
2 ready?

3 MR. LAMARCA: Yes. May it please the court, the
4 matter before the court is United States versus Carl Reddix.
5 This is Criminal No. 3:16cr50. Your Honor, Mr. Reddix is
6 present in court with his attorney, Lisa Ross. He is present
7 for a change of plea as to Count 7 of the indictment pending
8 against him, and they are, through all indications, ready to
9 make that change of plea, Your Honor.

10 THE COURT: All right. Thank you. Ms. Ross, if you
11 would come forward with your client, please? All right. Dr.
12 Reddix, good afternoon.

13 THE DEFENDANT: Good afternoon.

14 THE COURT: My understanding from Mr. LaMarca is that
15 you wish to change your plea as to Count 7 of the indictment.
16 Is that correct?

17 THE DEFENDANT: Yes.

18 THE COURT: Before I begin, Ms. Powell here with give
19 you an oath.

20 *(Whereupon the defendant was sworn.)*

21 THE COURT: All right. Do you understand that you are
22 now under oath?

23 THE DEFENDANT: Yes.

24 THE COURT: And you understand that your answers to my
25 questions have to be truthful?

1 THE DEFENDANT: Yes.

2 THE COURT: Do you understand that if your answers are
3 not truthful that you might subject yourself to further
4 prosecution for giving a false statement?

5 THE DEFENDANT: Yes.

6 THE COURT: All right. What's your full name?

7 THE DEFENDANT: Carl Machell Reddix.

8 THE COURT: All right. Mr. Reddix, if I ask you a
9 question this afternoon that you can't hear or if you don't
10 understand the question or you need me to repeat it or restate
11 it for any reason whatsoever, I want you to let me know and I
12 will be happy to do that. All right?

13 THE DEFENDANT: I will.

14 THE COURT: I want to make sure that you fully
15 understand my questions before you give responses. All right?

16 THE DEFENDANT: Yes.

17 THE COURT: Also if at any point you want to speak
18 with Ms. Ross, let me know and I will let the two of you step
19 back and do that. Okay?

20 THE DEFENDANT: Yes.

21 THE COURT: All right. If you answer my question, I
22 am going to assume that you heard it, that you understood it
23 and that you gave me a truthful response. Is that fair?

24 THE DEFENDANT: Yes.

25 THE COURT: All right. How old are you? How old are

1 you?

2 THE DEFENDANT: 58.

3 THE COURT: Okay.

4 THE DEFENDANT: Soon to be 59.

5 THE COURT: All right. And how far did you go in
6 school?

7 THE DEFENDANT: 13 years after high school.

8 THE COURT: Okay. And you're a medical doctor. Is
9 that right?

10 THE DEFENDANT: Correct.

11 THE COURT: All right. Have you ever been treated for
12 any mental illnesses?

13 THE DEFENDANT: Anxiety.

14 THE COURT: Okay. Are you currently under treatment
15 for anxiety?

16 THE DEFENDANT: Yes.

17 THE COURT: Are you taking any medications --

18 THE DEFENDANT: No.

19 THE COURT: -- for that? All right. Have you ever
20 been treated for any addictions to narcotic drugs of any kind?

21 THE DEFENDANT: Yes. Alcohol.

22 THE COURT: All right. And when was that?

23 THE DEFENDANT: That's part of the anxiety treatment.

24 THE COURT: All right. So you are currently
25 undergoing treatment for alcoholism?

1 THE DEFENDANT: Correct.

2 THE COURT: All right. Are you currently under the
3 influence of any drug, medication or alcoholic beverage?

4 THE DEFENDANT: No. Lipitor.

5 THE COURT: Okay. Other than that, when is the last
6 time you had any type of drug or alcoholic beverage?

7 THE DEFENDANT: I had a beer yesterday.

8 THE COURT: And obviously that's not affecting your
9 ability to communicate with Ms. Ross?

10 THE DEFENDANT: Correct.

11 THE COURT: Okay. Do you feel like you are capable of
12 communicating with your attorney and understanding what she is
13 telling you?

14 THE DEFENDANT: Quite clearly.

15 THE COURT: All right. And you understand why we are
16 here today and what's happening?

17 THE DEFENDANT: Yes.

18 THE COURT: And you understand the seriousness of the
19 proceedings?

20 THE DEFENDANT: Quite clearly.

21 THE COURT: All right. And on the date of the charged
22 offense, were you mentally capable of distinguishing between
23 right and wrong?

24 THE DEFENDANT: Yes.

25 THE COURT: All right. And did you --

1 THE DEFENDANT: I hope I answered that correctly. Ask
2 it one more time.

3 THE COURT: Sure. At the time of the offense that's
4 charged here in Count 7, were you mentally capable of knowing
5 the difference between right and wrong?

6 THE DEFENDANT: Capable, yes. I was capable.

7 THE COURT: And did you know that it was wrong to
8 commit the offense charged in Count 7?

9 THE DEFENDANT: Yes.

10 THE COURT: All right. Okay. Ms. Ross, I know you
11 have had a lot of opportunities to meet with your client. Are
12 you satisfied that he can effectively communicate with you?

13 MS. ROSS: I am, Your Honor.

14 THE COURT: And are you satisfied that he is capable
15 of understanding these proceedings and your advice?

16 MS. ROSS: Yes, I am, Your Honor.

17 THE COURT: And do you have any reservations with
18 respect to his competence to enter a plea?

19 MS. ROSS: None whatsoever, Your Honor.

20 THE COURT: Does the government?

21 MR. LAMARCA: No indications, Your Honor.

22 THE COURT: All right. Thank you. Dr. Reddix, have
23 you had a chance to read the indictment? Those are the written
24 charges pending against you in this case.

25 THE DEFENDANT: Yes.

1 THE COURT: Okay. And in particular, you read Count
2 7?

3 THE DEFENDANT: Yes.

4 THE COURT: All right. And have you had a chance to
5 fully discuss those charges and any other possible charges with
6 your attorneys in this case?

7 THE DEFENDANT: Yes.

8 THE COURT: And you were able to ask them any
9 questions that you might have about what you are charged with
10 in that indictment?

11 THE DEFENDANT: I have.

12 THE COURT: And were they able to answer your
13 questions for you?

14 THE DEFENDANT: Completely.

15 THE COURT: All right. And having read the indictment
16 yourself and discussed it with your attorneys, are you
17 competent that you fully understand what you have been charged
18 with in the indictment and in particular in Count 7?

19 THE DEFENDANT: I am.

20 THE COURT: All right. Ms. Ross, would you agree that
21 you have had those conversations and that your client does
22 understand the charges against him in the indictment?

23 MS. ROSS: I do, Your Honor.

24 THE COURT: All right. Dr. Reddix, are you satisfied
25 with the amount of time that you have had to spend with your

1 attorneys?

2 THE DEFENDANT: Yes.

3 THE COURT: And are you satisfied with the amount of
4 time your attorneys have spent on your case?

5 THE DEFENDANT: Yes.

6 THE COURT: And are you fully satisfied with the
7 counsel, representation and advice given to you in this case by
8 your attorneys?

9 THE DEFENDANT: I am.

10 THE COURT: All right. If you have any complaints
11 about your attorneys, today is the best day to let us know. Do
12 you have any kind of complaints we should be aware of?

13 THE DEFENDANT: They didn't give me the information
14 that I would have liked better.

15 THE COURT: All right. And I know where you're going
16 with that, but when it's read in the transcript, it's going to
17 sound different. You would like to have heard a different
18 answer. Right?

19 THE DEFENDANT: I would have, yes.

20 THE COURT: But in terms of representing you, I take
21 it you are fully satisfied with both of your attorneys in this
22 case?

23 THE DEFENDANT: I am.

24 THE COURT: And you have no complaints about them?

25 THE DEFENDANT: Not at all.

1 THE COURT: All right. My understanding is that you
2 have reached an agreement and have a plea agreement and
3 supplement with the government. Is that correct?

4 THE DEFENDANT: Yes.

5 THE COURT: All right. And did you have a chance to
6 read both of those documents before you signed them?

7 THE DEFENDANT: Yes.

8 THE COURT: And did you have a chance to discuss both
9 of them with your attorneys before you signed them?

10 THE DEFENDANT: I have.

11 THE COURT: Have you had a chance to ask your
12 attorneys any questions that you might have had about what is
13 contained in those two documents?

14 THE DEFENDANT: They have explained them ad nauseam.

15 THE COURT: And I take it from that that there is
16 nothing in either of those two documents that you do not
17 understand?

18 THE DEFENDANT: That is correct.

19 THE COURT: You fully understand the terms of both the
20 plea agreement and the supplement?

21 THE DEFENDANT: Completely.

22 THE COURT: All right. And, Ms. Ross, would you agree
23 with that?

24 MS. ROSS: Yes, Your Honor.

25 THE COURT: All right. So, Dr. Reddix, at this point

1 Mr. LaMarca will give us the highlights of your agreement with
2 the government.

3 MR. LAMARCA: Your Honor, before I proceed with that,
4 I would ask the court, there was an outstanding motion with the
5 court, and I feel confident that the case law would suggest
6 that that motion becomes moot with the entry of this plea, but
7 I would like the court to address with defense the defense's
8 status with regard to that motion, whether they wish to
9 withdraw that motion before this court.

10 THE COURT: Okay. Thank you. Ms. Ross?

11 MS. ROSS: Your Honor, it is our position that the
12 motion would become moot at the time of the entry of the plea.
13 If the court wishes, we would withdraw the motion to dismiss at
14 this time.

15 THE COURT: Okay. I would agree with that. The
16 motion to withdraw is accepted, and the prior motion is deemed
17 moot.

18 MR. LAMARCA: Thank you, Your Honor. Your Honor, the
19 defendant has agreed to plead guilty to Count 7 of the
20 indictment. The government will make those recommendations
21 that are contained within the plea supplement that the court is
22 aware is filed under seal.

23 In addition, the agreement itself calls for the
24 defense or the defendant to waive several rights, and those
25 rights are the right to appeal the conviction or sentence or

1 the manner in which the sentence is imposed on any ground
2 whatsoever, the right to contest the conviction and sentence or
3 the manner in which the sentence was imposed in any
4 post-conviction proceeding, including but not limited to one
5 under 28 U.S.C. Section 2255, except for claims of ineffective
6 assistance of counsel; also waives any right to seek attorneys
7 fees and costs and any rights whether asserted directly or by a
8 representative to request or receive records about the case
9 under the Freedom of Information Act or the Privacy Act.

10 Those are specific waivers among other terms within
11 the plea agreement, and we ask the court to confirm that the
12 defendant does understand he has waived those particular
13 rights.

14 THE COURT: All right. Ms. Ross, is that consistent
15 with your understanding of the agreement?

16 MS. ROSS: It is, Your Honor.

17 THE COURT: And, Dr. Reddix, is it consistent with
18 yours?

19 THE DEFENDANT: Yes.

20 THE COURT: In particular, Mr. LaMarca mentioned
21 Paragraph 8 and its Subparts A through E in the plea agreement.
22 These are waivers or things that you are giving up. You are
23 reserving the right to raise ineffective assistance of counsel,
24 but you waived the right to appeal the conviction and sentence
25 imposed in this case or the manner in which the sentence was

1 imposed on any grounds whatsoever and the right to contest
2 those same issues in any post-conviction proceeding, including
3 but not limited to a motion filed under Title 28 of the United
4 States Code, Section 2255. Now, again, have you discussed all
5 of those waivers in Paragraph 8 with Ms. Ross?

6 THE DEFENDANT: Yes.

7 THE COURT: And do you fully understand what you are
8 giving up in those waivers?

9 THE DEFENDANT: I do.

10 THE COURT: And are you knowingly and voluntarily
11 agreeing to those waivers along with all of the other terms of
12 both the plea and the plea supplement?

13 THE DEFENDANT: I am.

14 THE COURT: Okay. Do the terms of the plea agreement
15 and supplement represent your entire understanding with the
16 government?

17 THE DEFENDANT: Yes.

18 THE COURT: Okay. In other words, has anyone made any
19 other or different kinds of promises or assurances of any kind
20 in an effort to induce you to plead guilty in this case?

21 THE DEFENDANT: No, but the only thing I know from the
22 government's perspective is what I have read in these two
23 documents, so I don't know everything there is to know about
24 our government.

25 THE COURT: Right. And that's really the point.

1 There are no side agreements or other offers that have been
2 made to you, anything other than what's reflected in that
3 agreement.

4 THE DEFENDANT: Correct. I just wanted to be clear on
5 your question.

6 THE COURT: Certainly. All right. So do you
7 understand that the terms of the plea agreement and the
8 supplement are merely recommendations to the court and that I
9 could reject those recommendations without allowing you to
10 withdraw your plea of guilty and impose a sentence that's more
11 severe than you may anticipate?

12 THE DEFENDANT: I understand that.

13 THE COURT: Okay. Mr. LaMarca, I didn't see any
14 stipulations. Are there any?

15 MR. LAMARCA: No, Your Honor. No stipulations. Just
16 recommendations.

17 THE COURT: All right. Thank you. All right. So,
18 Ms. Ross, do you have a copy of the two signed documents?

19 MS. ROSS: Yes, Your Honor. May I approach?

20 THE COURT: Of course.

21 (DOCUMENTS TENDERED TO COURT)

22 THE COURT: All right. The plea agreement is a
23 seven-page document. It appears to be in order. It's fully
24 executed. It's received in the record.

25 The plea supplement also appears to be in order. It

1 too is a seven-page document. It is fully executed, and it is
2 received under seal.

3 Has anyone attempted in any way to force you to plead
4 guilty in this case?

5 THE DEFENDANT: Absolutely not.

6 THE COURT: Are you pleading guilty of your own free
7 will because you are guilty?

8 THE DEFENDANT: I am.

9 THE COURT: All right. Do you understand that the
10 offense to which you are pleading guilty is a felony offense?

11 THE DEFENDANT: I do.

12 THE COURT: Do you understand that if I accept the
13 plea you will be adjudged guilty of that offense?

14 THE DEFENDANT: I do.

15 THE COURT: And do you understand that such
16 adjudication may deprive you of valuable civil rights such as
17 the right to vote, the right to hold public office, the right
18 to serve on a jury and the right to possess any kind of
19 firearm?

20 THE DEFENDANT: I understand.

21 THE COURT: Okay. I also need to make sure you
22 understand the maximum penalties provided by law. Count 7
23 charges you under 18 U.S.C. Section 666 (a)(2). Are you aware
24 that that offense carries a term of incarceration of not more
25 than 10 years?

1 THE DEFENDANT: I am.

2 THE COURT: And are you aware that it carries a fine
3 of up to \$250,000?

4 THE DEFENDANT: I am.

5 THE COURT: And do you know that it carries a term of
6 supervised release of not more than three years?

7 THE DEFENDANT: I understand.

8 THE COURT: All right. And you understand that the
9 term of supervised release is imposed in addition to any term
10 of incarceration you have received?

11 THE DEFENDANT: Yes.

12 THE COURT: And do you understand that while you are
13 on supervised release there are going to be rules you have to
14 follow?

15 THE DEFENDANT: Yes.

16 THE COURT: Do you know if you break the rules you
17 could be sent back to prison?

18 THE DEFENDANT: Yes.

19 THE COURT: Do you know if that happens you could be
20 sent back to prison for the full term of supervised release and
21 you wouldn't get any credit for any time you had already served
22 on supervised release?

23 THE DEFENDANT: Yes.

24 THE COURT: Okay. Do you understand that if
25 applicable the court could order you to pay restitution to any

1 victims of the offense?

2 THE DEFENDANT: Sorry?

3 THE COURT: Do you understand that if it's applicable
4 that the court could order you to pay restitution?

5 THE DEFENDANT: Yes.

6 THE COURT: And do you understand the court could also
7 order you to forfeit certain property to the government?

8 THE DEFENDANT: I do.

9 THE COURT: Do you understand that there is a
10 mandatory special assessment of \$100 per count?

11 THE DEFENDANT: I just learned that this morning.

12 THE COURT: Okay. All right. And do you understand
13 that these things I have just gone through are all possible
14 consequences of entering a plea of guilty as to Count 7?

15 THE DEFENDANT: Yes.

16 THE COURT: All right. Have you had a chance to
17 discuss the sentencing guidelines with your attorneys?

18 THE DEFENDANT: Yes.

19 THE COURT: Do you understand that they exist to help
20 me determine what the appropriate sentence is in your case?

21 THE DEFENDANT: Yes.

22 THE COURT: And do you understand that I cannot
23 determine your guideline sentence today?

24 THE DEFENDANT: I do.

25 THE COURT: And do you understand that the guideline

1 sentence that's recommended by the probation officer could be
2 different from any estimate that your attorneys may have given
3 you?

4 THE DEFENDANT: Yes.

5 THE COURT: Do you understand that regardless of
6 whatever estimates your attorneys may have given you that in
7 this case the maximum sentence is 10 years and is that -- you
8 understand that?

9 THE DEFENDANT: Yes.

10 THE COURT: And it is your intent to enter a plea
11 knowing that the sentence could be up to 10 years?

12 THE DEFENDANT: Yes.

13 THE COURT: All right. Do you also understand that
14 the guidelines are advisory only and while I will consider them
15 I am not required to follow them?

16 THE DEFENDANT: I understand that.

17 THE COURT: Okay. So of course that means that once
18 we determine what your guideline range is in this case, I would
19 have the discretion to enter a sentence that's either greater
20 or less than the sentence called for by the guidelines. Do you
21 understand that?

22 THE DEFENDANT: Yes, sir.

23 THE COURT: And do you understand that parole has been
24 abolished so if you are sentenced to prison you will not be
25 released on parole?

1 THE DEFENDANT: Yes.

2 THE COURT: I also want to ensure that you understand
3 that by entering a plea you are going to give up some rights
4 that you would otherwise have. Do you understand that you have
5 the right to plead not guilty to any offense charged against
6 you and to persist in that plea?

7 THE DEFENDANT: Yes.

8 THE COURT: Do you understand that you would then have
9 the right to a trial by a jury?

10 THE DEFENDANT: Yes.

11 THE COURT: Do you understand that at trial you would
12 be presumed innocent and the government would have to prove
13 your guilt beyond a reasonable doubt?

14 THE DEFENDANT: Yes.

15 THE COURT: And do you understand that you would have
16 the right to the assistance of counsel for your defense at
17 trial and at every stage of the proceedings and that if
18 necessary I would appoint an attorney for you?

19 THE DEFENDANT: I understand.

20 THE COURT: And do you know that you would be allowed
21 to be present in the courtroom so that you could see and hear
22 all the witnesses and have them cross-examined in your defense?

23 THE DEFENDANT: Yes.

24 THE COURT: And do you know that you have the right on
25 your own part to decline to testify unless you voluntarily

1 elected to do so in your own defense?

2 THE DEFENDANT: I understand that.

3 THE COURT: Do you know that you could issue subpoenas
4 that would compel witnesses to come to trial and testify in
5 your defense?

6 THE DEFENDANT: Yes.

7 THE COURT: And do you understand that should you
8 decide not to testify or put on any facts whatsoever that those
9 facts could not be used against you?

10 THE DEFENDANT: Yes.

11 THE COURT: All right. Do you further understand that
12 by entering a plea of guilty that if I accept the plea you will
13 have waived or given up your right to a trial along with all of
14 these other rights related to trials that I just described?

15 THE DEFENDANT: I do understand it.

16 THE COURT: All right. I also want to make sure you
17 understand what's called the essential elements of the offense.
18 These are the things that the government must prove before a
19 jury could return a verdict of guilty as to Count 7.

20 All right. To return a guilty verdict as to Count 7,
21 the jury would have to be convinced that the government has
22 proven each of the following four elements beyond a reasonable
23 doubt: First that Christopher Epps was an agent of the State
24 of Mississippi as the Commissioner of the Mississippi
25 Department of Corrections; second that the Mississippi

1 Department of Corrections was a state government agency that
2 received in any one-year period benefits in excess of \$10,000
3 under a federal program involving a grant; third that the
4 defendant corruptly gave and agreed to give cash, a thing of
5 value, to any person with the intent to influence and reward
6 Christopher Epps in connection with any business of the
7 Mississippi Department of Corrections; and fourth that the
8 business involved anything of value of \$5,000 or more.

9 All right. Have you discussed those elements with
10 your counsel?

11 THE DEFENDANT: Yes.

12 THE COURT: And you understand that the government has
13 the burden of proving all four elements beyond a reasonable
14 doubt before a jury could find you guilty in this case?

15 THE DEFENDANT: I do.

16 THE COURT: And do you understand substantively what
17 the government would have to prove as to each of those four
18 counts?

19 THE DEFENDANT: Subsequently?

20 THE COURT: Substantively.

21 THE DEFENDANT: Oh, substantively. I'm sorry. Yes.

22 THE COURT: Okay. All right. Ms. Ross, would you
23 agree you have discussed the elements and that your client does
24 understand the essential elements of the offense?

25 MS. ROSS: Yes, Your Honor.

1 THE COURT: All right. Thank you.

2 So, Dr. Reddix, at this point Mr. LaMarca is going to
3 tell me the facts that he would have presented to the jury had
4 you elected to go to trial. I'm going to ask you to listen
5 closely to what he says because when he is finished I'm going
6 to ask you if you agree with what he told us. Okay.

7 MR. LAMARCA: Your Honor, this factual basis that the
8 government would prove is rather lengthy, so I ask the court
9 for some indulgence with regard to that.

10 THE COURT: Okay.

11 MR. LAMARCA: From 2002 through 2014, Christopher Epps
12 served as Commissioner of the Mississippi Department of
13 Corrections. The defendant, Carl Reddix, is a part owner of
14 Health Assurance, LLC, a Mississippi Limited Liability Company.
15 Health Assurance is in the business of providing inmate
16 healthcare services at M.D.O.C. facilities, M.D.O.C. meaning
17 the Mississippi Department of Correction facilities.

18 Health Assurance obtained a contract from M.D.O.C. to
19 provide inmate healthcare services at Walnut Grove Correctional
20 Facility in 2008, and the contract was renewed in 2011.

21 Health Assurance obtained contracts from the M.D.O.C.
22 to provide inmate healthcare services at East Mississippi
23 Correctional Facility and Marshall County Correctional Facility
24 in 2012.

25 Health Assurance also obtained a contract to provide

1 inmate healthcare services at Wilkinson County Correctional
2 Facility in 2013.

3 The FBI had conducted and was conducting an
4 investigation into the bribery, kickbacks and money laundering
5 activities involving Christopher Epps; that during that
6 investigation the FBI obtained court-ordered Title III
7 authorized wiretaps allowing the FBI to intercept telephone
8 calls on Mr. Epps' cellphone and that the court-authorized
9 wiretaps extended from April 23rd of 2014 through June 21 of
10 2014.

11 As a result of conversations overheard on the wire,
12 agents -- I'm sorry -- the FBI surveilled Epps and Mr. Reddix
13 meet in the parking lot of Nick's restaurant on May 1 of 2014.
14 Mr. Reddix got into Epps' vehicle for a few minutes and then
15 both went inside Nick's restaurant for lunch. Mr. Epps later
16 on June 24th of 2014, when he was confronted with the evidence
17 against him, admitted to agents that he was paid \$8,000 by Mr.
18 Reddix on May 1 when they had surveilled him and again on
19 June 1 and that that had been occurring since approximately
20 2012 and that he was being paid \$2,000 per month for a contract
21 in existence between Health Assurance and M.D.O.C.

22 Specifically Mr. Epps stated that Mr. Reddix had
23 sometime in 2012 began paying him \$2,000 a month for the
24 contract with Walnut Grove Correctional Facility, with the East
25 Mississippi Correctional Facility and with Marshall County

1 Correctional Facility for a total of \$6,000 a month. In 2013
2 after Health Assurance received the contract for healthcare
3 services to the Wilkinson County Correctional Facility, the
4 defendant, Dr. Reddix, increased those payments by an
5 additional \$2,000 a month.

6 Now, during the interception of the wiretap during the
7 two-month period, specifically on May 4th, Mr. Epps tells the
8 defendant, Dr. Reddix, that because he is now or soon will be
9 the head of two national organizations, one being the American
10 Correctional Association and president-elect of the Association
11 of State Correctional Administrators, that if the two of them
12 don't get something out of this, it's solely their own fault.
13 Specifically he states: *Carl, if we don't get something out of*
14 *this, it's me and your fault.*

15 Then on May 28th another telephone conversation
16 occurred between Mr. Epps and Dr. Reddix. This is regarding
17 the contract for the operation of a or of the Technical
18 Violator Centers. Mr. Epps reminds Dr. Reddix that the bid
19 package would be due tomorrow, being May 29th. When they were
20 discussing the bid package, Mr. Epps asked Dr. Reddix if he put
21 a little extra in there. And Dr. Reddix says he needs to make
22 sure that he hid it well enough.

23 Specifically the conversation occurred with Dr. Reddix
24 stating that his bid for the Technical Violation Centers,
25 quote: "I think it's going to be a masterpiece." Closed quote.

1 Mr. Epps says: "Sounds like you're going to have a good
2 package, Man. You put a little extra in there now, did you?"
3 And Dr. Reddix says: "I need to make sure that we did. We
4 didn't hide it very well, but, yeah, shit, we always got you,
5 you know. That part ain't never an issue." And Mr. Epps says:
6 "Okay. "Well --

7 And Dr. Reddix says: "You don't have to think about
8 that."

9 Mr. Epps says: Okay. "I was just letting you know
10 that if you -- if you did me like you need to." Dr. Reddix
11 says, among other things: "That part ain't never had an issue.
12 That's one thing you don't ever have to say."

13 So the next day on May 29th, Mr. Epps tells Dr. Reddix
14 by telephone call, and this is on the wire, that the TVC
15 contracts have been taken care of for Mr. Reddix or Dr. Reddix.
16 Dr. Reddix says: "That's good." Mr. Epps tells him: "The
17 other two that put in were higher."

18 He says: "They put in were higher than us?" Mr. Epps
19 says: "Yeah, all three of them. I mean the other two. But
20 between me and you, I didn't give a damn if Hargett said he
21 could do it for \$2 a day, I wasn't going to approve his.
22 Reddix says: "I knew that." Epps says: "But you already knew
23 that, though."

24 FBI agents then confronted subsequent to the wires Mr.
25 Epps on June 24th of 2014. So subsequent to that on July 1 of

1 2014, Dr. Reddix and Mr. Epps met in the parking lot of
2 Walker's Drive-In in Jackson where Dr. Reddix entered Mr. Epps'
3 vehicle and provided him with \$8,500 in cash.

4 On August 1, they met again, this time at Highland
5 Village Shopping Center in Jackson, and on that occasion, Dr.
6 Reddix gave Mr. Epps \$9,000 in cash. Again on September 2nd,
7 they met in the parking lot of Highland Village, and Dr. Reddix
8 gave Mr. Epps \$9,000 in cash. And again on October 1, they met
9 in the same parking lot, and Mr. Epps was paid by Dr. Reddix
10 \$9,500 in cash. And on all of those occasions, July, August,
11 September and October, they were all recorded, video and audio.

12 Finally, subsequent to that October 1 transaction, the
13 FBI confronted Dr. Reddix on October 30th, and at that time, he
14 admitted to providing kickbacks to Mr. Epps beginning about
15 2012 and that he further admitted to increasing those kickbacks
16 as Health Assurance acquired additional contracts. He did
17 state that he had agreed to increase the kickback to \$10,000
18 per month after obtaining the contract for the Technical
19 Violation Centers in July of 2014.

20 At all times mentioned herein, at all times, the
21 Mississippi Department of Corrections had received benefits in
22 excess of \$10,000 annually under federal programs providing
23 federal assistance to M.D.O.C. through the Office of Justice
24 Programs' Statewide Automated Victim Notification Program,
25 among others, and that these acts occurred in whole or in part

1 in the Southern District of Mississippi.

2 THE COURT: All right. Thank you. Dr. Reddix, did
3 you hear and understand everything that Mr. LaMarca just told
4 us?

5 THE DEFENDANT: Yes.

6 THE COURT: And do you agree with the facts that he
7 just told us?

8 THE DEFENDANT: I do.

9 THE COURT: All right. How do you now wish to plead
10 as to Count 7? Guilty or not guilty?

11 THE DEFENDANT: Guilty.

12 THE COURT: All right. It is the finding of the court
13 in the case of Carl Reddix -- United States versus Carl Reddix
14 that having viewed the defendant in court and considered his
15 demeanor and responses, the defendant is fully competent and
16 capable of entering an informed plea, that the defendant is
17 aware of the nature of the charges and the consequences of the
18 plea and that the plea of guilty is a knowing and voluntary
19 plea supported by an independent basis in fact containing each
20 of the essential elements of the offense. The plea is,
21 therefore, accepted, and the defendant is now adjudged guilty
22 of the offense charged in Count 7.

23 All right. Mr. LaMarca, I'm aware that this is not
24 the only case associated with Mr. Epps, and I would normally
25 set this for sentencing no earlier than August 1st, but should

1 I just set this as normal, or are there other factors here?

2 MR. LAMARCA: There is no need to adjust the court's
3 schedule.

4 THE COURT: All right. Counsel, let's look at
5 August 1st, then. That's a Tuesday. How does that look on
6 your calendars?

7 MR. LAMARCA: No conflict here, Your Honor.

8 MS. ROSS: No conflicts, Your Honor.

9 THE COURT: All right. I'm going to set it for 1:00
10 on August 1st. All right. Dr. Reddix, between now and then,
11 the probation officer will prepare a presentence investigative
12 report to help us determine what the appropriate sentence is in
13 this case. The information in that report will relate to this
14 offense, to your personal background, other issues. Some of
15 the information will come directly from you; some of it will
16 come from other sources, like the agents or employers, where
17 you went to school. It is obviously very important that the
18 information you provide is accurate. I do want to let you know
19 that you have the right to have your attorneys present whenever
20 you meet with the probation officers, and I would strongly
21 encourage you to have at least one of your attorneys with you
22 during those meetings. The few times I have seen things get
23 off the rails after this point are when the defendants meet
24 with probation without their attorneys and they say something
25 kind of stupid. There is a reason you hired good counsel, and

1 you need to have them with you. All right?

2 THE DEFENDANT: Thank you.

3 THE COURT: After that report is finished, you're
4 going to get a copy of it, and so will the government, and both
5 sides will have a chance to make objections if there is
6 anything in there that you disagree with. A lot of times those
7 objections can get resolved, but if they can't, I will rule on
8 the objections when we come back for the sentencing hearing.

9 Also at that time you're going to have what's called a
10 right of allocution, which means that you can tell me anything
11 that you think I need to know before the sentence is imposed.
12 And you can speak for yourself or through your attorneys or
13 both. It will be up to you. But you will get that opportunity
14 before sentencing.

15 All right. Mr. LaMarca, is there any reason why Dr.
16 Reddix should not remain on bond?

17 MR. LAMARCA: No, Your Honor.

18 THE COURT: Okay. I'm not aware of any either. Dr.
19 Reddix, I will allow you to remain on bond. I do need to give
20 you the same warnings I give everybody, and the first is that
21 obviously you have got to show up for the sentencing. It's
22 only happened a couple of times, but I can promise you the U.S.
23 Marshals are really good at what they do. They will find you
24 and it will just get a lot worse if you don't show up.

25 Also during that time you need to continue following

1 the rules that you have been following, and they are spelled
2 out in the terms of your bond. All right?

3 THE DEFENDANT: Yes.

4 THE COURT: If you were to commit another offense
5 between now and then, you would in all likelihood lose your
6 acceptance of responsibility. When you enter a plea, in almost
7 every case you end up getting a three-point reduction in your
8 offense level which lowers your guideline range. If you were
9 to commit another offense between now and then, under the
10 guidelines they would say that you have not really accepted
11 responsibility and you would lose that and it would increase
12 your sentence. And I don't know anything about your personal
13 background. I know that you told me you're going through some
14 counseling here, but if you were to get a DUI or test positive
15 or something like that, you would jeopardize your acceptance of
16 responsibility. So you just need to be aware of that. All
17 right?

18 THE DEFENDANT: I am.

19 THE COURT: Okay. And finally, now that there has
20 been a conviction, you are no longer allowed to possess any
21 kind of firearm. So if you own a hunting rifle or a gun for
22 protection or some people have them as collector's items, if
23 you have any guns in the house you need to get rid of them.
24 And you also need to be careful. If you find yourself where
25 somebody gets in your car with a gun or you find yourself in a

1 car with a gun that you have access to, that can be considered
2 your gun even if you don't own it if you have access to it.
3 It's called constructive possession. So you just need to be
4 careful to stay away from firearms from here on out. All
5 right?

6 THE DEFENDANT: I am. You know, you're in somebody
7 else's car and they have got a gun in it that you don't know
8 anything about.

9 THE COURT: If you don't know about it, you don't have
10 a problem. But if there is a gun sitting on the console and
11 you can grab it, you have got a problem. Mr. LaMarca, is there
12 anything else at this time?

13 MR. LAMARCA: I don't believe so, Your Honor.

14 THE COURT: Ms. Ross?

15 MS. ROSS: No, Your Honor.

16 THE COURT: All right. We're adjourned.

17 *(Hearing was concluded.)*
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1 CERTIFICATE OF REPORTER

2
3 I, BRENDA D. WOLVERTON, Official Court Reporter,
4 United States District Court, Southern District of
5 Mississippi, do hereby certify that the above and foregoing
6 pages contain a full, true and correct transcript of the
7 proceedings had in the aforementioned case at the time and
8 place indicated, which proceedings were recorded by me to
9 the best of my skill and ability.

10 I certify that the transcript fees and format
11 comply with those prescribed by the Court and Judicial
12 Conference of the United States.

13 This the 5th day of May, 2017.

14
15 s/ Brenda D. Wolverton
16 BRENDA D. WOLVERTON, RPR-CRR
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